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Committees  
Economic Development, Small  
Business and Regulatory Reform VC  
Families and Human Services VC  
Government Operations  
Health Policy

# The Jacobs Report

**FOR IMMEDIATE RELEASE**  
**Friday, June 6, 2003**

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## **SMALL GROUP INSURANCE REFORM HEADED FOR CONFERENCE COMMITTEE**

In a surprise vote, the House passed a bill package Thursday changing regulations for small-market health insurance rates in a form opposed by Blue Cross/Blue Shield and supported by commercial insurance carriers. But the content of the bill, which is in conflict with the bi-partisan Senate version, was considered secondary to the primary goal of getting the bill out of the House and into a House-Senate conference committee where Blue Cross allies expect to win.

Carried by Republicans on 58-45 straight-party vote, the House version of the main bill (SB 460) would allow commercial carriers to use age as a separate factor when calculating rates outside of new bands which would otherwise limit fluctuation of rates. Commercial carriers, supported by the Michigan Chamber of Commerce and National Federation of Independent Businesses, contend that they must be allowed to charge less for younger employees to balance Blue Cross' advantages from its name and size.

But the Blues, supported by the Small Business Association of Michigan and a large number of local chambers of commerce, say allowing the commercial carriers to "cherry-pick" the cheapest employees for coverage fails to address the fundamental problem of leaving the Blues with the oldest and most expensive employees to insure. They support the Senate-passed version of the bills, which prohibit using age as a separate factor.

The ranking Democrat on the House Health Policy Committee, Stephan ADAMINI (D-Marquette), argued that the original Senate versions of the package were better bills. "The goal of the reforms was to stop the practice of cherry picking by commercial insurance companies," Adamini said.

The bills target those businesses with 50 employees or less. These businesses that have seen the cost of health insurance skyrocket in recent years with annual increases of 30 percent.

## **DRUNK DRIVING ON PACE FOR .08**

This week, the House Criminal Justice Committee unanimously approved HB 4247 and HB 4248, a pair of bills that would reduce from .10 to .08 grams the blood alcohol content (BAC) at which a driver can be

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charged with driving while intoxicated. The change in policy is necessary for Michigan to obtain \$9.2 million of federal funding for road projects. The amount would grow every year if Michigan remains out of compliance, until it reached a total of \$91 million by 2007.

Although the vote was unanimous, several members of the committee appeared unhappy that such legislation was necessary to maintain federal funding.

"I guess this is a yes vote explanation," said Rep. Charlie LaSATA (R-St. Joseph). "I talked to some of my local judges and prosecutors about this and their major question was, what reason is there for doing this? Well, I know the reasons — there are about 9.2 million of them."

"I'm troubled that we have to act on this," LaSata continued. "I sort of think of what we [should do at the Legislature] is ratify strongly held public opinion. I don't think that's the case with this. There's also no trend to justify it. Last year we had the lowest number of [traffic] fatalities since 1945."

Rep. Paul CONDINO (D-Southfield) echoed LaSata's sentiments, including resentment over the mandate-by-appropriation approach the federal government has taken on the issue.

"Frankly, I feel boot-strapped by the federal government," said Condino.

### **MDOT RELEASES POTHOLE PHONE NUMBER**

The Department of Transportation (MDOT) released a toll-free phone number and e-mail address for citizens reporting potholes.

The Director's Pothole Hotline is 1-888-296-4546. Complaints can also be typed to MDOT by going to the agency's web site at [www.michigan.gov/mdot](http://www.michigan.gov/mdot) and clicking on the "Report Potholes" button. Callers and those reporting pothole locations by e-mail are asked to provide the route name (I, US, or M designations only), the county, the nearest community and the closest cross street or interchange.

State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

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